for captive consumption only, to the Indian Companies including Public Sector Companies on the basis of competitive bidding.

Justification for frequent increase in coal prices

888. SHRI PARMESHWAR KUMAR AGARWALLA: Will the Minister of COAL be pleased to state:

(a) the justifications for frequent price increase of coal, particularly after partial deregulation of coal prices;

(b) the prices of different grades of coking and non-coking coals since 1993-94, the average annual costs of production thereof since 1993-94, separately, in open cast and underground mines and the average percentage increase in the prices from each date of price increase;

(c) whether in coal mining, cost has no or little relation to the grade of coal mined; and

(d) if so, the manner in which bulk of price increases are loaded onto the consumers of superior grades of coal?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRIMATI KANTI SINGH): (a) Before partial deregulation, the coal prices were last revised on 17.6.1994 based on November, 1993 indices. In the intervening period from 17.06.1994 to 31.03.1996 inflation was to the tune of 29% over November, 1993 indices. Accordingly Coal India Ltd. (CIL) increased the prices of deregulated grades of coal in two phases i.e. on 01.04.1996 by 19% and 20.10.1996 by 10% over the 1994 prices.

(b) to (d) The average prices of all grades of coal including the regulated grades produced from CIL Mines since 1993-94 and the average percentage increases from that year the given below:—

Year	Average price of CIL Coal (Rs. per tonne)	% age increase
1993-94 (19.06.93)	381.00	—
1994-95 (17.06.94)	401.00	5.25%
01.04.96	469.02	16.96%
[illegible]	[illegible]	[illegible]

The cost of coal production from CIL Mines is compiled under two categories:

(a) Underground Mines

(b) Opencast Mines

The average annual cost of production of underground and opencast mines of CIL for the year 1993-94 to 1995-96 are given below:

(Figs in Rs./tonnes)

Year	UG	OC	Total
1993-94	718.17	244.31	364.35
1994-95	781.80	252.89	380.45
1995-96	984.96	273.32	412.66

Cost of production has little relation to the grades of coal produced. If the 1997 escalation formula of Baureau of Industrial Costs and Prices is applied, the impact of increase in input prices over the price prevailing on 17.06.1994 in all grades of CIL coal work out to 29% and the prices of all grades of CIL coal should have been enhanced by the same percentage. However, CIL could enhance only the prices of superior grades of coal which were deregulated with effect from 01.04.1996.

Time bound clearance of coal mining projects

889. SHRI PARMESHWAR KUMAR AGARWALLA: Will the Minister of COAL be pleased to state:

(a) whether there is a move to completely privatise coal mining by removing the existing conditions of captive mining or otherwise;

(b) if so, in what manner competitive bidding would be conducive for user industries in particular;

(c) whether any assessment/introspection has been done in this regard;

(d) if so, the results thereof and if not, the reasons therefor;

(e) whether cumbersome procedure for site/environmental clearances are causing delays in the implementation of captive coal mining projects; and

(f) if so, the action taken to simplify the procedure for time bound clearances [illegible]